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#26/Ltr, Depositions + Decls.
1-29-01

October 13, 2000

Via Express Mail Delivery
No. EL 438567009US

Examiner Stephen Funk
United States Patent and Trademark
Office Group 2854
Room 9D35- Crystal Plaza IV
Arlington, VA 22202

Re: *Bill L. Davis, et al;* United States 09/315,796;
Our File No. Will 2501

Dear Examiner Funk:

In connection with the above-reference reissue, enclosed please find Reissue Applicants' First Submissions of Deposition Testimony and Submissions of Supplemental Declarations. The portions of depositions of Ronald Rendleman, Bill Davis, Howard DeMoore and Jesse Williamson that are not under protective order will be filed as soon as feasible.

Very truly yours,

Robert Hardy Falk

RHF:tsmc
Enclosure(s)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re the Reissue Application of:	§	
BILL L. DAVIS and JESSE S. WILLIAMSON	§	
	§	
For Reissue of U. S. Patent 5,630,363	§	Group Art Unit: 2854
Issued May 20, 1997	§	
Serial No. 08/515,097	§	
	§	
Filing Date: May 20, 1999	§	Examiner: S. Funk
	§	J. Hilten
	§	
Serial No.: 09/315,796	§	
	§	
For: **COMBINED LITHOGRAPHIC/ FLEXOGRAPHIC PRINTING APPARATUS AND PROCESS**	§	

CERTIFICATE OF EXPRESS MAILING UNDER 37 C.F.R. §1.10

TO: Honorable Commissioner of Patents and Trademarks
Washington, D.C. 20231

SIR:

I certify that the following documents were deposited by Express Mail No. EL438567009US on or before 12:00 midnight this 13th day of October, 2000 addressed to:

Box: REISSUE
Assistant Commissioner of Patents and Trademarks
Washington, D.C. 20231

1. Reissue Applicants' First Submission of Deposition Testimony and Submission of Supplemental Declarations;

2. transmittal letters and this declaration.

Respectfully submitted,

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ATTORNEY FOR REISSUE APPLICANTS

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re the Reissue Application of:
BILL L. DAVIS and JESSE S. WILLIAMSON

For Reissue of U. S. Patent 5,630,363
Issued May 20, 1997
Serial No. 08/515,097

Filing Date: May 20, 1999

Serial No.: 09/315,796

For: **COMBINED LITHOGRAPHIC/ FLEXOGRAPHIC PRINTING APPARATUS AND PROCESS**

Group Art Unit: 2854

Examiner: S. Funk
J. Hilten

REISSUE APPLICANTS FIRST SUBMISSIONS OF DEPOSITION TESTIMONY AND SUBMISSION OF SUPPLEMENTAL DECLARATIONS

TO: The Honorable Commissioner of
Patents and Trademarks
Washington, D.C. 20231

Sir:

Reissue Applicants submit the recently-obtained depositions in the pending litigation styled *Printing Research, Inc. and Howard W. DeMoore v. Williamson Printing Corporation, Bill L. Davis and Jesse S. Williamson*, Civ. Action No. 3-99CV1154-M (N.D. Tex. 1999), of Steven Baker (Exhibit 3), Scott Brown (Exhibit 4), Steven Garner (Exhibit 5) and John W. Bird (Exhibit 6), whose declarations were submitted on April 7, 2000 with REISSUE APPLICANTS' MEMORANDUM CONCERNING THE PRIOR ART AND POSITION CONCERNING PATENTABILITY.

Reissue Applicants also submit herewith supplemental declarations of Baker (Exhibit 1) and Bird (Exhibit 2), which conclusively establish that *the date of transmission of information concerning reissue applicants' invention to PRI occurred June 12, 1994, and was immediately passed on to Bird and to Howard W. DeMoore on June 15 or June 16, 1994.*

Reissue Applicants also submit their [litigation Defendants'] Fed. R. Civ. P. 26(a)(2) report of Bernarr R. Pravel (Exhibit 7) and the technical report of a purported expert for PRI, Professor W.S. Mott (Exhibit 8).

I.

Testimony of Steven Baker,
August 9, 2000 and Corrigendum of September 21, 2000

Baker stood on his declaration (Baker Dep., p. 69, line 19, and corrigendum), and; that the story given in his declaration was the truth (Baker, Dep., p. 85, lines 1-20, and corrigendum p. 140, line 13).

Baker confirmed that to the best of his knowledge that, none of PRI's employees, including owner or DeMoore, Rendleman or Bird had any part in the invention of the process of the '363 patent undergoing the present reissue, disclosed to him in Atlanta in mid-1994. (Baker Dep., p 152, lines 12-22). He confirmed [see also, the *Supplemental Declaration* as June 12, 1994, Exhibit 1 hereto] the Atlanta Morton Steakhouse restaurant meeting where he received information concerning reissue applicants' invention directly from Bill Davis and Jesse Williamson. Baker Dep. p. 57, line 20 - p. 61, line 22, esp. p. 60, line 24 - p. 61, line 1; p. 93, line 24, corrigendum; p. 121, line 13, and corrigendum; p. 137, line11 and p. 147, line 17, and corrigendum. As stated by Baker in his deposition:

> "A. I didn't see Howard DeMoore. *The first person I saw was John Bird when I got back.*
>
> Q. Is it your testimony you told the first person you saw?
>
> A. *No, I told the first person that had authority to hear it that I saw.*
>
> Q. That what?
>
> A. I told the first person that I had authority – that had authority over me to hear it.
>
> Q. Were you given a list of people that had a right to this information?
>
> A. Of course not.
>
> Q. Did you – we may have misunderstood each other. *Did you ever tell Howard DeMoore this confidence?*
>
> A. *Yes.*
>
> Q. When?

A. I don't remember the exact day, but I remember talking to Howard on several occasions about what was going on at Williamson Printing. After all, Williamson was our customer. Howard ran the company. He needed to know."

He testified that at the Atlanta meeting, Davis and Williamson took Baker into their confidence (Baker Dep., p. 62, lines 19-25). Baker confirmed that Jesse Williamson paid for the dinner at the meeting, consistent with paragraph 5 of his original declaration executed November 3, 1999, and Exhibit A of his *Supplemental Declaration*, Exhibit 1 hereto. See Baker Dep., p. 128, line 12 - p. 129, line 10.

Baker testified that prior to the building by PRI of the device according to Fig. 2 of the '363 patent, "there were probably half a dozen companies that [built] anilox coaters" (Baker Dep., p. 18, lines 12-13). He stated further that "'rack-backs' with anilox rollers had been offered since the late 70's through [his] own personal knowledge." (p. 27, line 10, and corrigendum). Indeed, PRI itself had built a device – the so-called [cartridge, non-retractable] EZ Coater – with an anilox roller (Baker Dep., p. 18, lines 10-12).

Baker testified that when he got back from Atlanta, the first person he talked to was [his supervisor] Bird (Baker Dep., p. 64, line 6) and that he later told DeMoore (Baker Dep., p. 64, line 20). In the *Supplemental Declaration*, Exhibit 1 hereto, he testifies he told DeMoore "immediately after telling Bird", Baker Supp. Decl., para. 4, as DeMoore "ran the company". Id.

Baker confirmed in ¶10 of his original declaration of reissue applicants' January 1995 disclosure to himself and Bird of PRI that Davis and Williamson were going to file a patent application on their process. Baker Dep., p. 94, line 17 - p. 95, line 12. As testified to by Baker at his deposition:

Q. (By Mr. Harris) What do you say?

A. In response to where it says, Defendants admit that Bill Davis and Jesse Williamson informed Steve Baker and John Bird in January of '95 that WPC was going to file a patent application for '363, I – from this statement, I though that was understood. That was the *WIMS II – [corrigendum]* patent that we're always talking about and that it was either pending or they were going to file it; but at that point –

●

●

●

Q. (By Mr. Harris) I would like for you to answer the question. The question is: Do you have a recollection of that happening? It's a simple question.

A. I do remember them talking about their patent. Yes. See my testimony in paragraph 10 of my declaration, page 2. The testimony in paragraph 10 is correct.

Q. So what did they say?

A. In exact words, I don't remember.

Q. And when was it?

A. *It would have been January. It would have been after December, so it would have been January of '95.*

•
•
•

Q. (By Mr. Harris) You don't know what they're thinking, I guess, means that you don't know whether they're stating what happened or not, huh?

A. I don't have one opinion on that one way or the other, other than what I've already said. To me it was all the same. A patent was pending or they're going to file another one. *This time on WIMS II* [corrigendum]. It was all the same to me. In '95 – in January of '95, if they told me they were doing that, I am assuming at that point it is the one we have already talked about in '94 and it just had not been filed yet.

Q. (By Mr. Harris) They didn't say the '363 process, did they?

A. They never named them by number because I probably didn't need to know the numbers. *How can they refer to '363 when they haven't filed yet?* [*corrigendum*]

See also Baker Dep., p. 122, line 13, corrigendum.

Baker testified that it was well-known within PRI that DeMoore put his name on anything invented in the company. (Baker Dep., p. 73, line 11, corrigendum).

Baker testified that as of the time of execution of the declaration he had spent only four hours with undersigned counsel Falk (Baker Dep., p. 22, lines 16-18), and received no compensation for his testimony. Id. He testified that he had non animosity toward Howard DeMoore (Baker Dep., p. 40, line 9).

II.

Deposition of Scott Brown Taken

August 10, 2000 and Corrigendum Executed September 22, 2000

Consistent with para. 2 of his declaration executed December 30, 1999 and submitted April 7, 2000, Scott Brown of Heidelberg USA confirmed that Jesse Williamson and Bill Davis told him of their process invention, now embodied in the '363 patent, in mid-1994, as early as the "late spring" of 1994. Note Brown Dep., p. 74, lines 15-24 and corrigendum; p. 76, lines 19-25:

> "Q. (By Mr. Harris). Okay. Then I won't look for any additional snakes in there. And does this early September reference assist you in putting a date in when you had this explanation from Jesse and Bill Davis about their intention to improve the existing WIMS process?
>
> A. No. *As my statement says, I believe that [the disclosure to me of reissue applicants' invention] was more in the last spring of '94.* And August, more in – we were having conversations about the – what we'll call the LYL Heidelberg machine as early as late spring. And then in – so it's talked about at that time and then also in August, around the time of this letter, this August 5th letter." (Emphasis supplied)

Further, Scott Brown confirmed that in mid-1994 Jesse Williamson and Bill Davis told Brown of the trilogy of the types of devices that would perform the '363:

> "Q. (By Mr. Harris) Again, whether you read or don't read or whatever you do, tell me, to the best of you ability, how specific you can remember that these gentlemen, Mr. Williamson and Mr. Davis, were in describing the means they would use to practice the process, particularly to the extent that Printing Research might be involved. That's kind of a new question.
>
> A: There were – in the conversations I had, there were – there was equipment being developed confidentially, which was not disclosed – was held from me, wasn't shared with me, other than the statement that they were developing something. And we talked about the fact that several companies have a rack back system, an aftermarket coating system. And that adapting that and being able to move it upstream was the goal. That would – that would complete the process that we had simulated and attested in Germany.
>
> Q: (By Mr. Harris) It is true they also considered a dedicated flexography stations?
>
> A: Yes.

Q: And that they also indicated auxiliary add-on in general, as well as getting a little more specific by talking about some kinds of very generalized equipment?

A: Yes."

See Brown Dep., p. 117, line 5 - p. 118, line 9.

Further, Brown testified that the purpose of the fall 1994 Montreal trip was to gather BASF flexographic plate-making equipment information other than [Bill Davis' and Jesse Williamson's express wishes] for printing with the flexographic plates *in the first unit of a press*. Brown Dep., p. 85, lines 9-19, and corrigendum.

Brown also confirmed the January, 1995 simulations of the process in Germany at Heidelberg and that the reissue applicants, not Heidelberg personnel, were running the tests. Davis Dep., p. 91, line 21 - p. 107, line 13, esp. p. 93, line 9.

Brown indicated that he had no contact concerning his deposition testimony with witnesses Baker and Garner (Brown Decl., p. 24, lines 12-22), and had had only two meetings with attorney Falk prior to executing his declaration. Brown Dep., p. 25, line 14 - p. 27, line 14. He also indicated he had no deposition preparation by reissue applicants' attorneys. Brown Dep., p. 123, lines 2-3.

III.

Deposition of Steve Garner Taken
August 11, 2000 and Corrigendum Executed September 21, 2000

Steve Garner, former President of PRI, was a technical person, an engineer, and an inventor in his own right. He had four patents. Garner Dep., p. 18, lines 14-25; p. 20, line 18; p. 60, line 15.

Garner testified that Williamson Printing Corporation originated the '363 process. Garner Dep., p. 124, line 25 to p. 125, line 10, and corrigendum; note also p. 125, lines 11-19.

Garner confirmed that the prototype "short-arm" device built by PRI to operate the WPC process was installed in March 1995 (Garner Dep., p. 87, lines 15-20). The "short-arm" coater started to be constructed in the late fall of 1994 [on the inquiry of reissue applicants learned by Bird from Baker and reissue applicants and passed on to Garner], prior to Williamson's first formal order as an investment approach. Garner Dep., p. 78, line 23 - p. 80, line 7; note p. 121, lines 10-14. The "Rendleman Coater" as it came to be known within PRI, was placed on the second unit of the 2-unit cadet Heidelberg coater at PRI in the first quarter of 1995. Garner Dep., p. 67, line 25 - p. 68, line 2. "Rendleman began designing a long-arm device and switched to the short-arm design when the decision was made on the 'L' coater unit. He returned to the long-arm design after installation of the

short-arm device." Garner Dep., p. 87, line 17, and corrigendum.

Garner testified that as of 1994, it was very common for an end-of-press coater to have an anilox roller. Garner Dep., p. 12, line 14, and corrigendum. "Linear" so-called "rack-backs" were old in the art. Garner Dep., p. 54, lines 16-25.

Garner confirmed there were, to the best of his knowledge, no e-mails, blueprints or drawings at his employer directed to anything that would practice the '363 fabrication of the device started in December 1994. Rendleman was responsible for the detailed mechanical design of the cantilevered apparatus that was placed on the Williamson press. Garner Dep., p. 30, lines 18-22.

Garner testified that the Rexham tests in October 1994 involved the application of a metallic gold pigment to a carton board, applied by an anilox roller at PRI. Garner Dep., p. 34, lines 13-17; p. 46, line 15. Some of the boards may have been preprinted. Garner Dep., p. 63, line 21, corrigendum.

Garner testified that PRI knew of the '363 patent at the end of '97 or early '98. Garner Dep., p. 115, line 11.

Garner said that his declaration of April 6, 2000 was the result of a question and answer session with attorney Falk, and that counsel had not put words in his mouth. Garner Dep., p. 28, lines 11-21. Garner indicated that he had met three times with counsel Falk, and at the last meeting – after he had signed his declaration– Garner was given an opportunity to amend or change his testimony. He did not. Garner Dep., p. 75, line 1 - p. 76, line 23.

IV.

Deposition of John W. Bird Taken
September 12, 2000 (1st Part – No Corrigendum as of This Date)

John W. Bird was an employee of PRI from January 1992 to January 1997. From early 1991 until the end of 1991, he was a contractor for PRI. Bird Dep., p. 27, line 4; p. 17, lines 15-18. Bird had 35 years of experience in the printing industry starting in 1960. Bird Dep., p. 9, lines 12-15, with experience in UV drying, and, separately, coating, including a "rack-back" coater, for which Bird received a patent. Bird Dep., p. 15, lines 5-20; p. 20, line 15.

Of Bird's several patents, two were U.S. Patent 4,481,903 and 4,939,992. The '903 was for high-velocity ("HV") interstation drying. Bird Dep., p. 18, lines 13-17. U.S. Patent 4,939,992 was directed to a flexographic high velocity air drying system used for drying of flexographic inks at interstation positions or between flexo printing stations." Bird Dep., p. 20, lines 1-4.

When Bird came to PRI, he sold "infrared drying" systems, including the UV drying systems that PRI sells to this date. Bird Dep., p. 25, lines 1-7. Bird was paid royalties on the plate blanket coater he brought to PRI (built for him by Effertz Tools and Machines) and his high velocity, i.e., "HV" hot air dryer technology. The only coater that PRI had when Bird cam on board was the end-of-press [failed] EX Coater. Bird Dep., p. 34, lines 3-8.

When Bird arrived at PRI in March 1991, PRI had a non-retractable, end-of-press cartridge coater with an anilox roller. Bird Dep., p. 42, lines 1-5; p. 48, lines 23-25. The EZ Coater, sold in 1992-1993, was commercially unsuccessful, and "couldn't be made to work." Bird Dep., p. 47, line 8; p. 48, line 25.

PRI started development of an end-of-press retractable "rack-back" in 1994, to have an anilox roller. Bird Dep., p. 42, line 9 - p. 43, line 25. This was the so-called "EZB". Id.. The "EZB" was not patented. Bird Dep., p. 89, line 25. In fact, as of 1994, Dahlgren, Rapidac, Oxy-Dry and Epic International sold competitive coaters to the "EZB". Bird Dep., p. 46, lines 3-7.

Bird confirmed the testimony in his declaration that his PRI subordinate, Steve Baker, described the '363 process to Bird in mid-1994 after a trip to Atlanta. Bird Dep., p. 58, line 4 - p. 59, line 12. Note, also the deposition testimony of Bird:

> "Q. Okay. When did you first learn about the flexographic/lithographic in-line process as in the patent, Exhibit. 6?
>
> A. The process?
>
> Q. Yes, the process.
>
> A. The process was first described to me after a visit of – that occurred somewhere in July of ninety –I'd have to look at my notes – it's July '94, wherein Steve Baker, who was at the time one of our sales people, had gone to Atlanta to demonstrate both UV, and had gone to demonstrate a high-velocity hot air drying system and a Plate/Blanket Coater to both Jesse Williamson and Bill Davis.
>
> When – on Steve's return from Atlanta, Steve was somewhat excited to tell us that Williamson Printing had a patent pending, although that wasn't always clear to me whether it was pending or it was issued.
>
> But certainly he talked of a process wherein WIMS, Williamson Integrated Metallic Systems, had been – certainly had a patent applied for as a process patent, and that Williamson Printing was looking at an improvement on that method of application with metallics, and that they and felt

that the – and this was over a dinner meeting in the evening as sometimes happens in – in situations like this – and that they were looking for someone to work with them to produce a – a coater that would apply flexo, in particular, since they felt that a flexo would be a better way of applying and would give them a more brilliant finish.

And they had previously seen some trials wherein flexo had been applied with metallics that they felt that this, if we were interested – if they could find someone interested enough and since we made coaters, that we might be someone that could work with and/or sell them a piece of equipment to achieve the goal of applying metallics in-line as part of their process and their process patent as part of this improvement that they were looking for."

Baker reported to Bird in mid-to-late 1994. Bird Dep., p. 277, line 24.

Bird stated in his second supplemental deposition, Exhibit 2 hereto, that he was told June 12, 1994 and that DeMoore was told the same day.

Upon Baker's return from Atlanta, Baker had a "fairly protracted" (Bird Dep., p. 61, lines 10-15) conversation with Bird about Davis'-Williamson's desire for a retractable flexographic mechanism (id.; p. 64, lines 9-17), having an anilox roller for the flexographic step and that they would reach a desired resolution:

"A. They talked about the – the need for various types and requirements on those anilox rolls based on the amount and – of color that would be applied – when I say "color," I am referring to metallics – the amount of color that would be applied and – and the amount of resolution that would be required.

There's a – there's a relationship between dot screens that are carried on a flexo plate and the anilox cell counts on a flexo plate. And it's very important that those – those cell counts match the ratios are correct. Otherwise, you can get clogging of your anilox. You can get – you can get – you can create problems for yourself.

So those were situations where Bill and Jesse had become aware, I don't know over what period, but certainly had become aware, of those sorts of issues when you start to pigment flexo applicators. And – and they wanted to make sure that we had at least some understanding of what their requirements were going to be."

Bird Dep., p. 65, lines 5-24. Bird understood from Baker that the '363 process was contemplated by Davis and Williamson to improve the brilliance of the printing of the metallic inks produced by the WIMS prior art process. In subsequent discussion in the fall

of 1994, reissue applicants indicated to Bird that they desired that the device to practice the process have an anilox roller, which would be accompanied by a chambered doctor. Bird Dep., p. 73, line 11 - p. 80, line 24 and especially, p. 75, lines 7-11; and that one of the goals was the printing of metallic materials for "scratch-and-sniff" coatings.

At PRI, Rendleman was the supervisor of the machine shop. Bird Dep., p. 83, line 14.

The December 1994 test at PRI were requested by Jesse Williamson and Bill Davis. Bird Dep., p. 85, lines 1-11. Bill indicated what he wanted done in the test. Bird Dep., p. 86, line 21. Neither DeMoore or Rendleman organized, prepared, nor directed the December 20-21, 1994 tests. Bird Dep., p. 95, lines 14-25. Another February 1995 test was also directed by Bill Davis. Bird Dep., p. 93, lines 14-24.

Concerning the Rexham tests performed at PRI in late 1994 or early 1995, to the best of Bird's recollection, the work was not overprinted at Rexham. Bird Dep., p. 120, line 9 - p. 121, line 9; p. 123, lines 15-20; p. 234, lines 220-24. Bird summarized the work for John Lapomarde of Rexham as follows:

> "Q. Yeah. Well, what – what happened? Insofar as after you found out Lapomarde had this interest, what happened?
>
> A. John showed us – John showed us some coating applications where he was showing us that he was having tremendous streaking problems on his OEM-supplied coating applicator. And he had presented to us that the reason he was looking at flexo and/or a flexo applicator system was to overcome those problems and issues. Because of his experience in gravure and flexo technology, it was his belief that that would overcome this problem.
>
> And he demonstrated the problem to us during one of my visits to him wherein he took a fugitive pigment, a flourescent luminescent pigment, and put the – the product under a – a UV lamp and showed us – low energy UV lamp – and showed us the – where the streaking was occurring on the streets.
>
> He determined and told us that that was his purpose for purchasing – or wanting to purchase, were we interested in such a project?

Once again, we -- I returned to Printing Research. We talk about it as a project because he -- what it turns out is that he has Komori printing machine, and on the end of that Komori printing machine is a -- is a two-roll coating application.

John is basically saying, "I would like you to supply me an anilox roll coater to install on that machine."

We eventually determined that that's a little bit too big of a project for us and -- specifically since one of the -- the plate cylinder and/or the metering cylinder could be converted into an anilox roll, we got John to convert, himself, that roller to an anilox roll.

None of this is at all any knowledge that wouldn't be able to be got from pretty well anywhere at this stage. There are plenty of anilox coaters out there at the end of machines.

And we then got into a contract with him on the basis that he would convert his -- his applicator roll to make it into -- into an applicator to the plate cylinder to an anilox, and we would supply that -- what it became, a product which was the recirculation and sealed doctor blade assembly kit.

That was the birth of that product. And it subsequently turned out after he placed the order that John wanted to run tests, needed to run tests to prove that what he'd done and what he'd put into action at his corporation was -- was valid.

And I might be wrong in the timing of that, but nonetheless, we ran a metallic, we ran a metallic gold, and we ran -- I believe we might even have run a pearlescent at that time. And we ran -- but that's all we ran.

And it was then became clear that -- with John that this was not -- the -- the original description to me was not the same description as that which he purchased the unit -- or was purchasing the unit to perform.

And in fact, he told us that his sole purpose was to apply a metallic at the end of a machine since they were in the business of producing cigarette carton packs. And in the -- in the production of cigarette carton packs, certainly in those days -- they've all gone offshore, of course, today -- but they were printing the colors, and then they were taking those same cigarettes offline, applying the gold, and then either coating or whatever.

John saw this as a way to cut out a printing step, a step in the process. And so that's why I say to you, and I said to you earlier, that the two projects, if you like, are not related because –

Q. Well, you said they had different objectives.

A. They had very different objectives. His objective was to produce a gold at the end of a press as a -- as a Phillip Morris logo, crown, whatever it may be, RJR, whoever. But you know that it was very common for -- a small gold replica of some description would appear on a cigarette carton.

Q. But in any event, it finally occurred because he wanted a test; is that correct?

A. That's when we discovered he wanted to apply metallics, yes.

Q. And you made a test for him at his request?

A. At his behest using his plates, yes.

Q. And it was a successful test?

A. It was a successful test.

Q. Okay. And did you learn anything from it, sir?

A. Yes. We learned that we could apply metallics."

Bird Dep., p. 139, line 7 - p. 142, line 23.

Rendleman started making the "ferris wheel" coater by WPC in December 1994. Bird Dep., p. 225, line 10.

Bird confirmed the facts in paragraph 14 of his declaration of the January 1995 meeting where Davis and Williamson told Baker and Bird of the forthcoming '363 patent application. Bird understood the application to be an improvement process to the WIMS process, and Bird told Garner of Davis and Williamson's intent. Bird Dep., p. 110, line 6 - p. 111, line 16 and p. 112, lines 4-22.

See also Bird Dep. p. 111, lns. 9-16:

Q. Okay. Tell us what was discussed in that meeting with Williamson and Bill Davis in regard to the flexo/litho process.

A. Jesse told us that they - they, Williamson Printing, were applying for a continuation, an extension, on the improvement on their present WIMS process patent, and that was to include flexographic applications.

Bird opined that the '363 process did, in fact, improve the brilliance of the prior art WIMS process. Bird Dep., p. 152, lines 4-10.

Bird opined the RD Marathon brochure was "irrelevant". Bird Dep., p. 168, line 24; p. 172, lines 7-9.

Concerning Serial No. 08/435,798 on the so-called "Rendleman coater" filed May 4, 1995, Bird indicated he was not a "co-inventor" and that he was coerced into signing. Bird Dep., p. 176, lines 19-24. He told Rendleman, at that time, he was not an inventor. Bird Dep., p. 196, lines 24 - p. 197, line 5.

Prior to his deposition, he met with Defendants' counsel Falk and Pinkerton for 22 hours. Bird Dep., p. 191, lines 16-18.

In Bird's opinion, none of Bird, DeMoore or Rendleman had anything to do with the inventorship of the '363 process:

Q. I want to switch to some of the claims that are being asserted in this lawsuit by the Plaintiffs, Mr. Bird.

There is a claim that is made in this case that Mr. Howard DeMoore, who is here in the room, one of the Plaintiffs, is the sole inventor of the flexographic/lithographic process as in the 363 Patent, okay?

Based on everything that you know and all of your knowledge from your work at PRI, do you know of any facts or information at all that would support that claim?

A. None.

Q. There is also an allegation in this case that Mr. DeMoore -- if he's not a sole inventor, they've got a fallback position, that is, well, he's a joint inventor of the flexo/litho process.

Do you know of any facts documents, information, based on your knowledge and experience and the work there at PRI that would support the claim that Mr. DeMoore is a joint inventor of the flexo/litho process?

A. None.

Q. Based on your knowledge and work, was the -- at -- at Printing Research, was the flexo/litho process jointly developed by PRI and Williamson Printing?

A. No.

Q. Was it jointly developed by Mr. Ron Rendleman and anybody at WPC?

A. No.

Q. Was it jointly developed by Mr. DeMoore and anybody at Williamson Printing?

A. No.

Q. There's also a claim in this case that's just been added that Mr. Ron Rendleman is a joint inventor of the flexo/litho process.

Based on your work at PRI, do you know of any facts, any information, any documents that would support the claim that Mr. Ron Rendleman is a coinventor of the flexo/litho process?

A. No.

Q. To the best of your knowledge, was there any joint development agreement between Printing Research and WPC for development of the flexo/litho process?

A. No.

Q. Did Printing Research and Williamson Printing share expenses in development of the flexo/litho process?

A. No.

Q. As far as you know, were there any notebooks that were shared between Printing Research and Williamson Printing in regard to development of the flexo/litho process?

A. No.

Q. To the best of your knowledge, based on your work at Printing Research, did Printing Research and Williamson send each other technical memos, E-mails back and forth and regarding the flexo/litho process?

A. No.

Q. (BY MR. PINKERTON) Mr. Bird, if the flexo/litho process had been invented either solely or jointly by Mr. DeMoore or Mr. Rendleman, would you have known about that when you were at PRI?

A. Yes.

Q. (BY MR. PINKERTON) Did -- at any time when you were employed at PRI, either as a consultant or an employee, did anyone advise you that Mr. Bird [sic] or Mr. Rendleman had invented the flexo/litho process?

A. No."

Bird Dep., p. 112, line 23 - p. 115, line 24.

V.

Tab 7 and Tab 8 are directed to recently filed expert reports in the litigation. Tab 7 is a report by patent expert Bernarr Roe Pravel, one of the nation's leading experts in patent law, on the issues of derivation and equitable estoppel. Expert Pravel concludes:

"Derivation can be shown by a communication of a complete or partial concept to the party charged with derivation. Showing a prior, complete conception and communication thereof is not the only way to establish derivation. The burden of proof is on the party asserting derivation. That burden is independent of the senior or junior status of the parties. *Id.* Hedgewick v. Akers, 497 F.2d 905, 908, n. 4 (C.C.P.A. 1974). It is well settled law that once proved, transmission of an inventor's own prior work will not anticipate his later invention unless that prior work is such to constitute a statutory bar. In re Costello, 717 F.2d 1346, 219 U.S.P.Q. 389 (Fed. Cir. 1983); note also Chisum, 1 PATENTS § 3.08[2] (5/88). The burden is on the party asserting derivation by a preponderance of the evidence.

"The evidence clearly shows that as of June, 1994, the '363 patentees were in possession of a comprehensive concept, if not a complete conception of the later-claimed '363 invention. The '363 patentees testified to as much. The '363 patentees chose to explore the possibilities of reducing to practice their concept either by use of a dedicated station – to be manufactured by Heidelberg, selling them a number of new processes – or by a modification of a prior art auxiliary "rack back" having an anilox roller and a chambered doctor.

"That concept was communicated by the '363 patentees to Steve Baker in Atlanta in a restaurant on June 12, 1994, with the intent to induce Baker to explore the possibilities of his company manufacturing such a modified

"rack-back." Baker, upon returning to his office, told Bird, DeMoore and possibly Garner. Such corroborated transmission of the concept to PRI by the team of PRI employees admitted by PRI to have worked on PRI's apparatus to perform the concept – Bird, Rendleman, and DeMoore, the applicants of Serial No. 08/435,798 – is sufficient to carry Defendants' burden of proof as to derivation by a preponderance of the evidence. Hedgewick, *supra*; In re Mathews, 408 F.2d 1393, 161 U.S.P.Q. 1393 (CCPA 1969); and In re Kaplan, 789 F.2d 1574, 229 U.S.P.Q. 678 (CCPA 1986).

"Equitable estoppel may apply where there is (1) unreasonable and inexcusable delay in filing suit, (2) prejudice to the defendant as a result of the delay, (3) affirmative conduct by the party against whom estoppel is asserted inducing the belief it abandoned its claim, and (4) detrimental reliance by the party asserting estoppel. Hottel Corp. v. Seaman Corp., 833 F.2d 1570, 1573, 4 U.S.P.Q.2d 1939, 1941 (Fed. Cir. 1987); MCV, Inc. v. King-Seely Thermos Co., 870 F.2d 1568, 1571 (Fed. Cir. 1989).

"The '363 patentees communicated to PRI employees Bird and Baker in January, 1995 that they would file an application on what they considered to be their new, improved process. Bird testified that he considered the process to be that of the '363 patentees and made no objection.

"The PRI team – Bird, Rendelman and DeMoore – filed their patent application on May 4, 1995 but did not claim the '363 process. In fact, at no time to date did they amend their claims in Serial No. 08/435,798, even within the one year period permitted by law after the issuance of the '363 patent on May 20, 1997, to copy any of the issued '363 claims. Significantly, former PRI Vice-President Garner testified that they knew about the '363 patent in late 1997 or early 1998.

"Despite Garner's testimony, DeMoore and PRI indicated in their COMPLAINT that they did not know about the '363 patent until December, 1998 and learned about it only through a potential customer. This contention lacks any credibility whatsoever, given DeMoore's intense interest in patents, his interest in a device to practice the '363 process, his financial interest in the equipment to practice the process, and his financial losses alleged in his Complaint. I have had many small to medium-size clients who were manufacturing mechanical devices, and periodic review of the patent literature for competitive patents is commonplace. DeMoore's allegation of learning about the issuance of the '363 patent in December, 1998 is unbelievable.

"Regardless, PRI's delay in pursing any claim to the '363 invention or filing suit – of over four years – was unreasonable. MCV, *supra*. The first element of the Hottel test has been met.

"Defendant WPC's only hope of realizing significant income from the '363 process – other than selling printed materials made according to the process – is by licensing the '363 process to others. As long as an inventorship fight hangs as a cloud over the '363 patent, licensing possibilities are remote, if not impossible. The second element of Hottel has clearly been not.

"PRI, having been told of the forthcoming filing of the application for the '363 process in January, 1995 and having done nothing in 1995, 1996, 1997 or 1998 to copy the '363 claims, while at the same time continuing to do business with Defendants during that time period, including, but not limited to, the construction and delivery of interstation coaters and driers in 1995-1997, induced Defendants into reasonably believing PRI would not assert any claims of the '363 process. The third element of Hottel has been met.

"Defendants acted to their detriment in relying on Plaintiffs' acquiescence concerning their failure to claim the '363 process. Defendants could have gone to any one of a number of different "rack-back" manufacturers to develop an alternative "rack-back" in 1995-1998, which manufacturers were identified in the Garner and Bird depositions. Instead, the declaration and deposition testimony shows that Printing Research installed at least three interstation machines in the period 1995-1997, that Williamson paid for the machines manufactured for them at their request to perform the '363 process, and proceeded to try to work out their difficulties with Printing Research. The fourth and final element of Hottel has therefore been met. The letters attached to the Rule 57(b) declaration of '363 patentees indicated that PRI did not object to the identity of the '363 patentees as solely consisting of Williamson Printing Corporation employees Davis and Williamson until March, 1999 during license negotiations. After prosecuting Serial No. 08/435,798 for four years without claiming the '363 process, and after being told before they filed their application by Davis and Williamson that the latter would file an application on that process, plaintiffs are estopped to pursue claims of inventorship of the '363 process. MCV."

Tab 8 is a technical report by a purported printing expert of Plaintiff DeMoore. He states Serial No. 08/435,798 is enabling.

Conclusion

The depositions of Baker, Brown, Garner and Bird confirm the thrust of their declaration testimonies submitted to the PTO April 7, 2000. Based on that testimony, expert Pravel has indicated that a case of derivation exists against Protestor is estopped to deny inventorship of the '363 patent in Davis and Williamson.

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that the foregoing Reissue Applicants First Submissions of Deposition Testimony and Submission of Supplemental Declarations was served on '363 Protectors' and '713 Patentees' counsel of record by placing a true and correct copy in the United States Mail, postage prepaid, on the 13TH day of October, 2000, addressed as follows:

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